

WESTFIELD GROUP REPORTS HALF YEAR EARNINGS OF \$651 MILLION WITH SOLID INCOME GROWTH AND EXPANSION TO NEW MARKETS

The Westfield Group (ASX:WDC) today announced its half year results to 30 June 2011 with AIFRS net profit for the six months of \$650.9 million and Funds from Operations (FFO) of \$732.7 million or 31.8 cents per security. This is the first half year result since the restructure of the Group in 2010 with the establishment of Westfield Retail Trust (ASX: WRT).

Westfield Group CEOs, Peter Lowy and Steven Lowy said: "Today's announcement is consistent with our full year earnings and distribution forecasts, and demonstrates the resilience of our business and the continuing improvement of our operating platform."

The result was driven by net property income increasing 6% during the half year and a 50% increase in the Group's management and development income.

Return on contributed equity was 11.4%, on an annualised basis, for the period.

"We recently announced a number of new opportunities including the World Trade Center in New York, the acquisition of a strategic development site in Milan and our entry into Brazil. We have been active in implementing our strategic plan of redeploying capital into high return opportunities," Peter and Steven Lowy said.

"Our investment into these opportunities is more than funded by the \$2.7 billion of proceeds from the Stratford and Sydney joint ventures. We continue to look at attractive development and acquisition opportunities globally, and are well placed to continue to deliver sustainable earnings growth."

The Group's AIFRS net profit for the half year included property revaluations of \$149 million of which \$39 million were development gains.

Distribution for the six months was \$557 million or 24.2 cents per security. The Group will retain \$175 million, which will be invested in WDC's future capital activities.

Operational segment earnings for the half year were \$850 million representing 36.9 cents per security.

With the recent announcement of the entry into Brazil, WDC's portfolio will now include 124 shopping centres in 5 countries with assets under management of \$59.6 billion. At 30 June 2011, WDC had total assets of \$37.2 billion, a gearing ratio of 36.1% (pro forma) and available liquidity of \$3.5 billion.

Outlook

WDC confirms its 2011 full year forecast for FFO of between 64 and 65 cents per security, operational segment earnings of 74.6 cents per security and distribution per security of 48.4 cents. The forecast assumes no material change in the average currency exchange rates for the remainder of the year.

"We are focussed on investing in shopping centres with strong franchise characteristics that are resilient through economic cycles, and achieve high levels of sales productivity and profitability for our retailers. We are confident in the future of the Group's business model and we continue to execute our strategy by redeploying capital in order to deliver sustainable earnings growth and higher return on equity," Peter Lowy and Steven Lowy said.

westfield.com

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Operating Performance

For the half year, net property income, in local currency terms was up 8% in Australia / New Zealand¹, up 1% in the United States and up 36% in the United Kingdom. The United Kingdom result reflects the strong performance from Westfield London and the Group's increased interest in Westfield Derby.

"Our operating performance during the half year was particularly pleasing, notwithstanding the current environment, with income growth and comparable specialty sales growth in each of our regions." Steven Lowy said.

The portfolio at 30 June 2011 was 96.7% leased, with the United States portfolio at 92.0%, the United Kingdom at 98.5% and the Australian / New Zealand portfolio at over 99.5%.

In the United States, comparable specialty retail sales for the six months to June 2011 were up 6.0%, continuing the strong trend in sales last year.

In Australia, comparable specialty retail sales for the six months were up 1.8% and up 1.0% in New Zealand.

At Westfield London, sales for the first six months of the year were up approximately 20% and the centre is on track to achieve annual sales of almost £1 billion in 2011.

During the half year, WDC continued the expansion of its online internet strategy with the launch of the westfield.com.au transactional site, which is now leased to over 140 retailers.

"We are embracing digital technology, including the use of the internet, mobile and social media, with a major focus on driving sales into our shopping centres by providing continuous information about retailers, their products and offers to our consumers. With the launch of our transactional website in Australia, we are able to work with retailers in both their physical and online retail strategies," Steven Lowy said.

Development Activity

Currently, \$4.5bn of projects are under construction, with WDC's share being \$3.6 billion. WDC's cost to complete these projects, over the next 18 months, is approximately \$900 million.

Excellent construction and leasing progress continues at Stratford City, adjacent to the site of the London 2012 Olympics. Currently 95% of the retail area is either leased or committed and the centre will open next month on September 13.

"We are extremely pleased at how well the Stratford project has leased up. We have assembled an exceptional tenancy mix which has more than exceeded our vision, particularly for fashion, food, entertainment and leisure, and it will be the next chapter in retail development for London," Steven Lowy said.

Excellent progress has also continued at Westfield Sydney with its 2nd stage retail opening in April. This included the successful opening of Australia's first Zara store and, more recently, the flagship stores of Prada, Miu Miu and Zegna.

¹ After adjusting for the WDC restructure and transfer of assets to WRT in December 2010.

During the half year, WDC commenced work on \$570 million of new projects including the \$320 redevelopment of Fountain Gate in Australia and \$250 million of smaller projects across the United States, the United Kingdom and Australia. Total new project commencements for 2011 are expected to be between \$750 million - \$1 billion.

As a result of the Group's Milan and World Trade Centre opportunities, WDC's identified pipeline of future development work has increased to approximately \$11 billion.

ENDS

The Westfield Group (ASX Code: WDC) is an internally managed, vertically integrated, shopping centre group undertaking ownership, development, design, construction, funds/asset management, property management, leasing and marketing activities and employing over 4,000 staff worldwide. The Westfield Group has interests in and operates one of the world's largest shopping centre portfolios with investment interests in 124 shopping centres across Australia, the United States, the United Kingdom, New Zealand and Brazil, encompassing around 25,000 retail outlets and total assets under management of A\$59.6 billion.

This release contains forward-looking statements, including statements regarding future earnings and distributions. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to us as of the date of this presentation. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

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